
US EXECUTIVE APPROVAL FORM**CUSTOMER NAME: Smithfield Foods****PARTNER/VAD NAME:****6/19/03 additional approval needed:**

1. Request approval to extend the Nov. 30th deadline to meet the \$1.4M threshold to Dec. 31st, 2003.
 - Smithfield has requested this extension due to their anticipation of the pilot taking longer than Nov. 30th. This additional 30 days should meet their needs and allow us to win this deal.

Reapproved on 6/9/03 for Q1:

Requesting Q1 reapproval of this deal that slipped from Q4. Approval form has been cleaned up to show only the final deal that was in the table in Q1. Will also require Fernicola's reapproval of the technology price hold.

This transaction was delayed due to SAP Executive pressures that curtailed Smithfields approval process. OCS is close to completing their deal for \$2.8M and is speaking with their execs several times daily to complete the Consulting portion. Technology licenses (Database, 9ias, Packs & RAC) will continue to be offered as only application specific. SAP pressures citing key wins at Conagra & Tyson (at Oracles expense) and continued to cite our lack of visibility in the space. This would be our first apps win in beef/pork processing industry in North America and represent a major CPG win along with a big OCS victory.

This section was approved in Q4:**SECTION I - Approval Requests:****HQAPP Requests:**

1. Price Hold through August 31, 2003 at the discounts being offered on this deal (70%). If the Customer has a cumulative spend of greater than \$1.4M Net L prior to Nov. 30, 2003, grant them an additional 5 year price hold extension on the entire price list for perpetual licenses. (excluding the Suites and those programs priced in advance of availability) (draft with Nov. 15, 2003 date)
 - The Part 2 deal summary box below details out what the team expects the purchase off of the price hold to be. This should be drafted as a bundled price hold where they purchase all of it in order to get the 5 year price hold referenced above.
 - On the 5 year price hold; restrict this so that the technology programs on the price hold are "restricted use" to only those application programs being purchased either on this OD or off of the price hold
 - Draft with \$750k min. buy, approval for \$100K min. buy thresholds
2. Request that if Customer meets the threshold to warrant the extension, that Oracle agrees to grant them a 2 renewal year technical support flatline on the licenses that make up the \$1.4M initial order(s).

TIER 1 Requests:

3. Request approval to sell the Programs/Quantities listed in the deal summary box on a 1 year term bases (Term list license price to be 20% of perpetual, support to be at perpetual pricing). Request approval for a 70% discount.
 - In the event that Smithfield chooses to purchase Perpetual licenses for the CRP, we are seeking the same 70% worst case discount.

TIER 2/3 Requests:

4. 1.Majority owned subs > 50% with or without exhibit subs do not agree in writing but HQ has the authority to bind subs and will bind.
5. Divestiture up to 1 year – standard contract option.

SECTION II – Deal Summary:

Deal Summary	
Programs	Database EE,Diagnostic Pack, Tuning Pack, Change Management Pack, 9iAS, Open Systems Gateway,Marketing Online, Trade Management,iStore,Order Management, Release Management, Advanced Pricing, Configurator, Demand Planning,iReceivables
License Discount	70 %
Support Discount	70 %
Support Options/Holds	2 renewal year flatline from 11/03 if thresholds are met
Price Holds	5 year price hold if thresholds are met
Two Part Deal	These are the licnese necessary for the Conference Room Pilot (CRP) to complete the initial evaluation of Oracle Applications Software.
Part 1	
List License -Perpetual	\$362,400
List Support -Perpetual	\$79,728
List 1-Year Term (20% of Perp)	\$72,480
Net License –1 Year Term – 70%	\$21,744
Net Support –1 year Term=Perpetual rate – 70% disc.	\$23,918
Net Total Price –1 year term	\$45,662
Price List Used	March 23, 2003

Part 2 – Order To Cash Applications deal (see attached ss for detail)

70% Worst Case Discount with Post CRP Depoloyment Licenses. These licences are for the Deployment requirements at the conclusion of the CRP to be completed by July 15th and purchased by November 30, 2003

Net License Deploy	\$1,454,025
Net Support Deploy	\$ 319,886
Net Total Price Deploy	\$ 1,773,911
Price List Used	March 23, 2003

Customer History - Existing Price Holds	
Existing contractual discount (price hold)	No
Date of Price List for price hold	
When does price hold expire?	
Price hold program categories (database,	

server, erp, crm, hr/payroll, app suite)	
Name of Agreement if applicable	

SECTION III – Q4 Justifications:

See also details under each request in 1st section...

Smithfield Foods is looking to purchase the minimum licenses and support necessary to conduct a Conference Room Pilot (CRP) for the Order To Cash workflow. They will use the CRP to assess Oracle's capabilities as Oracle does not have referenceable OTC customers in the food processing industry vertical.

Once the CRP is complete (slated for mid July), this deal will provide the customer with the option to purchase the full roll out's worth of licenses (Deployment) at a worst case 70% discount. The CRP licenses will likely be Term licenses to keep short term costs (risk) to a minimum, and will be discounted at the same worst case discount through Nov '03. In the event that Smithfield chooses to purchase Perpetual licenses for the CRP, we are seeking the same 70% worst case discount. The price hold is requested through Nov to allow for slippage. OCS is actively bidding for the CRP and roll out work, and has a fixed price proposal submitted for \$3M +.

Smithfield Foods is an existing Oracle APPS Customer (Financials and HR) who is currently implementing with OCS. Oracle does not have applicable references for Order to Cash in the food /process manufacturing vertical. Smithfield would be an excellent reference candidate as they own 24% of this \$ 36B market (pork production).

Smithfield is extremely risk averse. But this proposal should be enough for them to proceed with an Oracle OTC solution (in spite of our lack of references) if Oracle agrees 1) to lock in pricing now for the full Order to Cash solution, good through Q2, and 2) support a CRP with Term licenses discounted at the same discount as the full roll out licenses.

This deal is competitive with SAP, who has significant presence in this industry space, including installations at Conagra and Tyson.

Justification: The deal is still very competitive with SAP and this would represent our first apps win in the beef/pork processing industry. SAP owns the lion share of this space with key wins at Conagra and Tyson. Draft will include a 55% discount with a subset of the programs to cover the next two years of known demand. In anticipation that this will not be sufficient, request is for the above to enable field team to negotiate without returning for additional approval.

The deal remains very competitive with SAP and former Oracle Senior Exec is now involved. John Nugent flew out and met with the customer execs. The result: SAP has now beat our offer in License and Consulting and provided a 5 year price hold for all products on their list. Current TCO is now in SAP favor. Cited key wins at Conagra & Tyson (at Oracles expense) and continued to cite our lack of visibility in the space. This would be our first apps win in beef/pork processing industry in North America and represent a major CPG win. OCS has \$2.8 bid as part of this project. Lisa Pope has spoken directly with Smithfield Exec and believes that it could slip until June due to SAP and customer but possibility to close is real. OCS also has opportunity to close in May and do not want to lose to SAP\BearingPoint\IBM and Nugent.

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: *(fill in rep name and AVP name here)* Frank Bagli
Field RM name if submitted by OracleDirect:

R: *(leave blank for HQAPP to fill out)*

C:

L:

A:

BP:

PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION V – Ordering Document Details

Instructions - Fill in all sections completely.

APPROVAL REQUIREMENTS - Refer to the Approval Matrix at <http://esource.oraclecorp.com>

PRICING REQUIREMENTS – Refer to Price List and Price List Supplement for minimums and prerequisites.

PRICING SPREADSHEET – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.

MIGRATIONS - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to <http://nafo.us.oracle.com> under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.

Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.

General Information	
Contract requested by (insert date): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	June 9, 2003
Opportunity I.D. (OSO Number):	866928
Is this a ship order?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does deal contain new licenses with an <i>approved</i> non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	<input type="checkbox"/> Yes (specify non-supported license type and eBusiness license type used to determine conversion) <input checked="" type="checkbox"/> No
Quote Valid Through (insert date):	April 15
Partner (insert name, if applicable)?	Margin or % of net license fees _____
VAD (insert name, if applicable)?	Margin or % of net license fees _____
PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, specify payment type:	<input type="checkbox"/> Applications Affiliate Fee <input type="checkbox"/> ROP Fee (GB Use Only)
MIGRATIONS OR UPDATES:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PREMIUM SERVICES:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
INCIDENT PACKS:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Payment Terms:	<input checked="" type="checkbox"/> Net 30

Referenced Agreement:	Other (Specify) _____
	New OLSA
	<input checked="" type="checkbox"/> Other (Specify) 1997 SLSA

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	Smithfield Foods Incorporated
Business Address:	200 Commerce St
City / State / Zip:	Smithfield, VA 23430
Customer Contract Admin:	Mansour Zadeh
Phone #:	757.365.3039
Fax #:	757.365.3098
E-mail ID:	mansourzadeh@smithfieldfoods.com
Billing Contact:	Mansour Zadeh
(Partner/VAD if Indirect):	
Address:	200 Commerce St.
City / State / Zip:	Smithfield, VA 23430
Phone #:	757.365.3039
Fax #:	757.365.3098
E-mail ID:	mansourzadeh@smithfieldfoods.com
Tax Status :	Exempt ____ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt <u>X</u>
Shipping Contact:	Brian Howard
Address:	200 Commerce St
City / State / Zip:	Smithfield, VA 23059
Phone #:	800.539.4727
Fax #:	
E-mail ID:	brianhoward@smithfieldfoods.com
Technical Support Contact:	WT Guthrie
Address:	200 Commerce St.
City / State / Zip:	Smithfield, VA 23059
Phone #:	800.539.4727
Fax #:	757.437.1287
Email ID:	wtguthrie@smithfieldfoods.com
Partner Name (Indirect):	
Address:	
City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)	
Education Prepaid Credit Amount:	\$ _____
Education Discount:	_____%
Education Revenue:	\$ _____

Education Sales Rep:

.....

PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:

Make: IBM

OS: AIX

PROGRAMS:

Database EE,
Diagnostic Pack
Tuning Pack
Change Pack
9iAS
Open Gateway
Marketing Online
Trade Management
Order Management
Release Management
Advanced Pricing
Configurator
Demand Planning
iReceivables

.....

Applications		
Will applications be modified:	Yes	<input checked="" type="checkbox"/> No
Will users be accessing modified Apps from the web:	Yes	<input checked="" type="checkbox"/> No
Have all prerequisites been included:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Will users use Fast Forward RPM:	Yes	<input checked="" type="checkbox"/> No
Will applications be hosted:	Yes	<input checked="" type="checkbox"/> No
Indicate database that Apps will run on:	AIX partionable 4 way for CRP.	
Indicate CSI for existing prerequisite database and tools:	NA	

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	Financing through OFD.
(2)	
(3)	
(4)	Segmentation Language
(5)	Order of Precedence

Internal Administrative Information	
Applications Sales Manager	Frank Bagli
Technology Sales Manager	Dennis Nuutinen
Account Manager	Frank Bagli
OracleDirect Rep	Tom Bagley
Education Sales Rep	Ana Besu
Support Renewals Rep	
Premium Support Rep	Mike Clements

Migrations Manager	
Is there a teaming agreement?	<input type="checkbox"/> Yes (if yes, list all appropriate reps) <input checked="" type="checkbox"/> No
Requester:	Name: <u>Frank Bagli</u> Business Telephone: <u>804.306.5790</u> Cell Phone: <u>804.306.5790</u>